

United States Department of Justice
Office of the United States Trustee
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Erin Marie Schmidt, Trial Attorney
for the United States Trustee

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:	§	
	§	
HIGHLAND CAPITAL	§	Case No. 19-34054-SGJ
MANAGEMENT, L.P.,	§	
	§	
Reorganized Debtor.	§	(Chapter 11)

**United States Trustee’s Limited Response to The Dugaboy Investment Trust’s Objection to
the Motion for an Order Further Extending the Duration of Trusts**

Lisa L. Lambert, the United States Trustee for Region 6 (“United States Trustee”), files this limited response to The Dugaboy Investment Trust’s (“Dugaboy”) Objection, ECF No. 4223, to the Motion for an Order Further Extending Duration of Trusts, ECF No. 4213, to address only Dugaboy’s request that the United States Trustee intervene and investigate management of the post-confirmation trusts.

1. “Except as otherwise provided in the plan or the order confirming the plan, the confirmation of a plan vests all of the property of the estate in the debtor.” 11 U.S.C. § 1141(b). Accordingly, after a chapter 11 plan is confirmed and effective—as happened here in February 2021 and August 2021, respectively—the bankruptcy estate and debtor-in-possession cease to exist. *In re Worldcom, Inc.*, 401 B.R. 637, 652 (Bankr. S.D.N.Y. 2009) (“after confirmation of a

plan under Chapter 11, administration of the estate ends and the estate ceases to exist”) (citation omitted); *In re Jamesway Corp.*, 202 B.R. 697, 701 (Bankr. S.D.N.Y. 1996) (“Upon plan confirmation, the debtor-in-possession and the bankruptcy estate cease to exist, even though the case may not be closed and the bankruptcy court retains jurisdiction over certain matters.”).

2. Here, the Confirmation Order vested estate assets in the Reorganized Debtor: “Except as otherwise provided in the Plan or this Confirmation Order, . . . all Reorganized Debtor Assets will vest in the Reorganized Debtor . . .” *Confirmation Order*, ECF No. 1943, ¶ F, p. 63 of 161.

3. Most of the United States Trustee Program’s (“USTP”) statutory authority relates to monitoring the estate and debtor-in-possession. 28 U.S.C. § 586. The USTP’s authority in chapter 11 cases over post-effective date conduct and activities is relatively narrow.¹ The USTP cannot intervene in the management of the trusts established under the confirmed plan.

4. Moreover, Dugaboy and affiliated entities, such as NexPoint Advisors LP (“NexPoint”), have been ably represented by competent counsel in the almost six years since this case was filed, including in 50 appeals, in the most recent of which the Fifth Circuit clarified the limits of the Plan’s exculpation provisions and thereafter the Supreme Court lifted its temporary stay of the Fifth Circuit’s mandate on that appeal after NexPoint objected.

For these reasons, the United States Trustee respectfully files her response.

¹ The USTP, however, does monitor and object as appropriate after confirmation to matters relating to pre-confirmation activity, including, for example, professionals’ final fee applications.

DATED: June 20, 2025

Respectfully submitted,

LISA L. LAMBERT
UNITED STATES TRUSTEE

/s/ Erin Marie Schmidt

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Certificate of Service

I certify that copies of the foregoing document on June 20, 2025, by ECF to those parties requesting service via ECF in this case.

/s/ Erin Marie Schmidt

Erin Marie Schmidt